

R.C.L.M.
(Pilot Residential and Small Commercial Load Management)

AVAILABILITY OF SERVICE.

Available on a voluntary basis to individual residential customers and small commercial customers receiving retail electric service from the Company. Small commercial customers are defined as commercial electric service accounts having a metered peak demand of 100kW or less during the past 12 billing periods. Availability is limited to the first 1,000 residential and 100 small commercial customers applying for service under this tariff or until 2,200 load control devices have been installed. This tariff will be in effect once the Company has successfully launched its Residential and Small Commercial Load Management Pilot program and will continue through December 31, 2012. Enrollment to participate in R.C.L.M. will end on December 31, 2012.

For non-owner occupied residence or facility, the Company will require written permission from the owner to install load control and communication equipment.

PROGRAM DESCRIPTION.

R.C.L.M. seeks to reduce peak demand through certain load management measures to assist in lowering costs and delaying future generating requirements. To participate, customers must allow the Company, or its authorized agents, to install load control equipment and, if necessary, auxiliary communicating devices to control the customer's central air conditioning, heat pumps, and/or electric water heating equipment. All such devices shall be installed at a time that is consistent with the orderly and efficient deployment of this program.

The Company will utilize the installed control devices to reduce customer's energy use during load management events. The Company plans to control devices for up to 150 hours per year (combined planned load management and emergency load management) with no single event lasting more than six (6) consecutive hours.

Cycling of the central air conditioning and heat pump systems or thermostat setback may be employed during load management events in the summer season. Water heating equipment may be cycled or turned off during load management events in both summer and winter seasons.

Company planned load management events shall not exceed six (6) consecutive hours per day during the summer months and four (4) consecutive hours per event during the winter months. Such non-emergency load management events shall not exceed 15 events and shall occur only during the months and hours listed below:

<u>Season</u>	<u>Months</u>	<u>Applicable Hours</u>
Summer	June through September	Noon to 8 P.M.
Winter	November through February	7 A.M. to 11 A.M. 6 P.M. to 10 P.M.

For emergency purposes, load management events shall not exceed 10 events per PJM planning year (June – May) and not last longer than six (6) hours duration. Emergencies shall be determined by PJM as defined in PJM Manual 13 – Emergency Operations. Emergency load management events can only occur between Noon and 8 pm on weekdays during June through September.

(Cont'd on Sheet No. 23-2)

DATE OF ISSUE October 25, 2010 EFFECTIVE DATE Service rendered on or after October 27, 2010

ISSUED BY Lila P. Munsey MANAGER OF REGULATORY SERVICES FRANKFORT, KENTUCKY
NAME TITLE ADDRESS

Issued by authority of an Order of the Public Service Commission in Case No. 2010-00198 dated October 15, 2010

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RATE CREDIT.

Residential and Small Commercial customers shall receive the following monthly billing credits for each qualifying central air conditioning and heat pump unit controlled during the summer billing months of June to September:

\$20.00 per year (\$5.00 for each summer month; June, July, August, and September)

Residential and Small Commercial customers shall receive \$1 per month billing credit for each qualifying electric water heater unit controlled during the summer billing months of June, July, August and September and the winter billing months of November, December, January and February.

Such credits shall not reduce the customer's bill below the minimum charge as specified in the tariff under which the customer takes service.

EQUIPMENT.

The Company, or its authorized agents, will furnish and install, in the customer's presence, load control equipment and, if necessary, an auxiliary communicating device inside the customer's residence or facility. All equipment will be owned and maintained by the Company, or its authorized agents, until such time as the experimental load management pilot program is discontinued or the customer requests to be removed from the program after completing the initial mandatory period of one (1) year. At that time, and at the Companies discretion, some or all of the load control equipment and any auxiliary communicating device may be removed by the Company, or its authorized agents. The customer is not required to pay a deposit for any auxiliary communicating equipment. However, failure to return the auxiliary communicating device in good working order may result in additional charges in the amount of the current cost of the auxiliary equipment.

Should the customer lose or damage the load control devices or auxiliary communicating equipment, the customer will be responsible for the cost of repairing or replacing the device(s). If the device(s) malfunctions through no fault of the customer, the Company will replace or repair at its expense.

CONTRACT.

Participating customers must agree to participate for an initial period of one (1) year and thereafter may discontinue participation by telephone.

(Cont'd on Sheet No. 23-3)

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SPECIAL TERMS AND CONDITIONS.

R.C.L.M. is subject to the Company's Terms and Conditions of Service and all provisions of the tariff under which the Customer takes service, including all payment provisions.

The Company shall not be required to install load control equipment if the installation can not be justified for reasons such as: technological limitations, safety concerns, or abnormal utilization of equipment, including vacation or other limited occupancy residences.

The Company and its authorized agents shall be permitted access to the customer's premises during normal business hours to install, inspect, test, or maintain the load control device(s). The Company may also be allowed access to the customer's premise to repair or remove faulty load control device(s). In the event the Company requires access to the load control device(s), and the Customer does not provide such access within 30 days of the request, then the Company may discontinue the Rate Credit until such time as the Company is able to gain the required access. The Company shall not be responsible for the repair, maintenance or replacement of any customer-owned equipment.

The Company shall collect data during the course of this experimental load management program. Customer-specific information will be held as confidential and data presented in any analysis will protect the identity of the individual customer.

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